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Nechako-Kitamaat
Development Fund Society

2014 – 2015
Annual Report

March 31, 2015

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NKDF Annual Report

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Nechako-Kitamaat
Development Fund Society

2014-2015 ANNUAL REPORT

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Report From The Chair

May 21, 2015

I would like to thank the Board of Directors for their commitment and support to NKDF over the past year.

I am personally very proud of the recognition enjoyed by NKDF and of the many important projects we have helped bring about.

This past year has again seen some change of directors, and I wish to recognize and thank Janice Baker, Shannon Eakin, and John Amos for their time and effort serving on the board. Thanks to Board Resourcing and all those who assist with appointing Directors to the Board.

During the 2014-2015 fiscal, the Board of Directors approved 17 projects totalling $531,005 in funding. This brings the total amount of approved funds since inception in 1999 to 8,862,009. In 2015-2016, the Board will make another $500,000 available for projects throughout the investment area.

As well as ensuring best value for funds invested across the region during the year, the Board reaffirmed its commitment to the purpose of the BC/Alcan Northern Development Fund by maintaining a minimum of $15million in the legacy fund.

It is rewarding to be involved in an organization like NKDF and it is only with the volunteers from within the communities that take the time and effort required to apply for funding and on behalf of the NKDF Board of Directors I would like to thank them in particular for the work they do on behalf of their communities.

The Board can clearly see the importance and value of all the projects whether large or small and I would like to take this opportunity to thank the many community members who work so hard to bring the projects to successful conclusions.

Sincerely,

Original Signed

Wayne Salewski
Chairperson

1. Society Overview

2.1 Mandate

The Nechako-Kitamaat Development Fund (NKDF) Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The NKDF Society spends the income from its long-term investments on programs and projects that meet each community's goals for economic development and community stability.

2.2 Background of the Fund

In 1997, the Government of British Columbia and Alcan Aluminum Limited each contributed $7.5 million to create the BC-Alcan Northern Development Fund. This BC-Alcan Agreement settled the legal issues between Alcan Aluminum Limited and the BC Government that arose from cancellation of the Kemano Completion Project. In January 1998 an advisory Board for the Northern Development Fund was formed. Its job was to advise the government on how the Fund should be run to stimulate economic growth. In April 1998, the legislature passed Bill 5, the "BC-Alcan Northern Development Fund Act." Enabled by this Act, and by the recommendations of the advisory Board, the NKDF Society was incorporated on August 18, 1999. The Minister of Jobs, Tourism and Skills Training appoints Board members to represent the communities of the Nechako-Kitamaat area.

2.3 Investment Area

The investment area for the NKDF is normally limited to those communities with evidence of impacts from the Nechako Reservoir and Kemano power project. We encourage applications from local governments and legally incorporated non-profit organizations serving the following communities:

Kitamaat Village	Village of Burns Lake	Nadleh Whut'en Band
Southside	Burns Lake Band	Fort Fraser
Nee Tahi Buhn Band	Lake Babine Nation	District of Vanderhoof
Cheslatta Carrier Nation	Stellat'en First Nation	Saik'uz First Nation
Skin Tyee Band	Village of Fraser Lake	

2.4 *Guiding Principles of the Fund*

COMMUNITY ECONOMIC DEVELOPMENT	The NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from within the Nechako Region, Lakes District and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.

Of the original $15 million, $5 million was provided to NKDF to be used as a working fund to invest in projects and programs. The remaining $10 million of the original $15 million was placed into a legacy fund with the goal of investing and growing the fund to $15 million, and the income from the legacy fund to be used to fund NKDF projects into the future.

Fund investments are managed by the provincial government, through the British Columbia Investment Management Corporation, a provincial Crown Corporation. Monies of the Northern Development Fund—to be used in support of the programs of the NKDF Society—are in investment vehicles which are generally conservative but which also provide some opportunities for growth.

2.5 Society Management

The NKDF Society is governed by a northern-based Board of government appointees who live in the investment area and represent a range of interests. Board seats during the past year were held by:

- John Amos, Kitamaat Village
- Janice Baker, Vanderhoof
- Shannon Eakin, Burns Lake
- Greg Goodwin, Province of BC
- Ray Klingspohn, Vanderhoof (Secretary/Treasurer)
- Lianne Olson, Rio Tinto
- Mike Robertson, Southside
- Wayne Salewski, Vanderhoof (Chair)
- Shelley Wall, Burns Lake

Management services are provided through a contract with Macrolink Action Plans Inc., based in Prince George, British Columbia.

2.6 Government Relations

Since the Society's incorporation in 1999, the provincial government has transferred $9.3 million from the Northern Development Fund to the NKDF Society for its operations and programs. The balance of the original $15 million remains under the control of the BC Investment Management Corporation. (See the attached financial statements for detailed balances of the Society's accounts.)

The NKDF Board of Directors reports to the Minister of Jobs, Tourism and Skills Training. The Minister is responsible for approving the Society's annual business plan and for appointing all Society Directors. This reporting relationship ensures that the Society's actions are in line with current provincial government priorities and direction.

2. Strategic Plan for 2015-2016

Background

The Northern Development Fund Act defines the purpose of the fund as follows:

1) The purpose of the fund is to promote sustainable economic development in Northwestern British Columbia.
2) Without limiting subsection (1), the fund may be used for the following:
   a. supporting investment in new or existing businesses;
   b. creating new employment or stabilizing existing employment;
   c. supporting other goals that are consistent with subsection (1) and that the minister considers desirable.

Strategies for 2015-2016

The Board of Directors will adopt the following strategies for the 2015-2016 fiscal:

1) To fund projects that address impacts most important to the communities.
2) To fund projects on a first come, first serve basis.
3) When provided with different applications, to choose projects that promise more economic benefits over those that offer fewer economic benefits.

The Board of Directors believes there is always room for improvement, and will be vigilant ongoing for opportunities to innovate and respond to community needs.

3.2 *Programs*

Community Funding Program

The Society received a total of 23 new applications during the year and approved 17, totalling $531,005 for the entire investment area for the 2014-2015 fiscal.[1]

The Board of Directors will continue to promote NKDF programs and increase the uptake in the smaller communities. While NKDF Society continues to benefit from increasing recognition throughout the investment area, Directors and Management will increase communications with local governments, businesses, and residents throughout the catchment area.

The Directors focus on safeguarding the fund by making informed decisions that maintain the highest value to all stakeholders of the BC/Alcan Northern Development Fund. Throughout the year the Manager and Directors encourage feedback from all stakeholders, and use the input to guide decisions and make improvements to the operation.

Community Legacy Fund Program

The Community Legacy was established in 1999, when $10 million of the Society's funds were invested to grow and provide funding for NKDF programs and projects in perpetuity. The Community Legacy Fund is currently held at the BC Investment Management Corporation and the fair market value at March 31, 2015 is $15,881,286.

This year the Board had hoped to increase the annual transfers by approximately 2.5% in order to keep pace with the rate of inflation. After careful consideration of the current and projected values of the fund, the Directors have decided instead to prioritize the following strategies:

1. Continue the objectives of maintaining the legacy fund at a minimum of $15 million and optimizing returns within the permissible risk threshold.
2. Instruct BCIMC through the Ministries of Jobs, Tourism and Skills Training and Finance to structure the investments of the legacy fund to allow for maturities extending beyond 10 years to maximize the opportunity to produce a minimum of $500k/yr.
3. Reinvest any unused funds and slippage rather than rolling them into the following year's budget.

[1] Detailed descriptions of all 2014-2015 approved projects are in section 4.

3. Funding Details

The Society approved $531,005 in new projects this year, bringing the total approved funding to $8,861,989 since inception. The following table shows statistics for all years since the inception of the fund.

Year	Proposals Received	Proposals Approved	Proposals Not Approved	Total $ Committed	Total $ Paid
2014-2015	23	17	6	$531,005	$487,655
2013-2014	34	30	4	$552,647	$439,998
2012-2013	18	14	4	$513,394	$523,416
2011-2012	24	21	3	$401,539	$391,745
2010-2011	27	21	6	$553,903	$502,515
2009-2010	27	20	7	$728,398	$577,207
2008-2009	23	17	6	$719,580	$694,555
2007-2008	34	28	6	$730,517	$448,262
2006-2007	24	17	7	$500,000	$1,173,343
2005-2006	24	19	5	$523,159	$505,151
2004-2005	24	20	4	$499,959	$518,050
2003-2004	45	31	14	$1,172,067	$484,778
2002-2003	8	7	1	$44,195	$234,584
2001-2002	20	11	9	$518,741	$245,636
2000-2001	13	6	7	$137,534	$149,054
1999-2000	5	5	3	$48,021	$25,000
Total	379	282	94	$8,892,999	$7,021,110

The following table summarizes proposals not approved during this fiscal year:

Project	Date	Requested	Reason for Decline
Computer Replacement	2014-05--5	$3,888.00	Not eligible for funding.
Website	2014-05-20	$3,468.81	Weak link to economic development
Community Plan	2014-09-10	$31,603.00	Weak link to economic development
Small Town Shoppers Guide	2014-12-10	$6,300.00	Not a priority for NKDF
Performing Arts Festival	2015-02-17	$2,200.00	Not eligible for funding.
Regional Marketing Initiative	2015-03-10	$32,467.00	Deferred.

[1] The high rate of approval projects is due in part to the fact that project concepts are pre-screened to ensure they fit the NKDF mandate prior to accepting applications.

Economic Impacts 2014-2015

Number of Projects	Based on projects approved during 2014-2015 fiscal	17
Total Amount Approved	During 2014-2015 fiscal	$531,355.00
Funds Leveraged	In addition to the NKDF funding	$1,319,016.00
In-Kind Leveraged	In addition to the NKDF funding	$287,359.00
Direct, Short Term Jobs	As projected by funding recipients at application stage	60
Full Time Sustainable Jobs	As projected by funding recipients at application stage	16

Notes: Not included are dollars brought into the communities via visitor expenditures.
The jobs figures are based on estimates made by recipients at the application stage.
Downstream or spin-off jobs are not included in this table.

The following table summarizes the projects approved and/or in progress during the 2014-2015 fiscal, followed by brief descriptions of each project.

Recipient	Project	Approved	Approved	Payment
BC Forage Council	Innovative Forage Production	15,000	2014	93%
Burns Lake & District Chamber	Marketing Photography	3,500	2014	0%
Burns Lake & District Chamber	Trails Brochure	8,249	2013	93%
Burns Lake Mountain Bike Association	Boer Mountain 2015	125,000	2015	0%
Burns Lake Mountain Bike Association	Boer Mountain Trail	79,540	2013	80%
Burns Lake Mountain Bike Association	Stearns Cr. Canyon Trail	22,500	2012	100%
Burns Lake Soccer Club	Walking Trail	4,900	2011	100%
District of Vanderhoof	Electronic Sign	8,000	2013	100%
District of Vanderhoof	Penland Park Washroom	25,000	2013	100%
District of Vanderhoof	Friendship Centre Reno	35,000	2014	93%
District of Vanderhoof	Heritage Restoration	5,000	2014	100%
District of Vanderhoof	Hotel Valuation Study	10,000	2014	100%
District of Vanderhoof	Housing Needs Study	5,000	2013	93%
District of Vanderhoof	Alternative Capital Funds	15,000	2014	100%
District of Vanderhoof	Recreation Centre Upgrade	110,000	2014	93%
District of Vanderhoof	Visitor Centre Building	30,000	2013	100%
Francois Lt'kenzonkut Recreation	Shelter & Equip Upgrade	14,760	2013	100%
Grassy Plains Community Hall Assn	Deck and Siding	25,000	2013	100%
Kitimat Marine Rescue Society	New Vessel	50,000	2013	100%
Lakes District Fall Fair Assn	Upgrade	26,222	2015	0%
Lakes District Fall Fair Assn	Parking Lot Upgrade	23,868	2014	93%
Lakes District Film Society	A Seat for All	28,600	2013	93%
Lakes Outdoor Recreation Society	Rec Site Accessibility	2,250	2014	93%
Nechako Valley Exhibition	Small Animal Barn	28,000	2013	100%
Nechako Valley Search and Rescue	Training Facility	61,678	2015	93%
Nechako Valley Sporting Assn	Lighting Upgrade	35,000	2015	0%
NKDF	Grassroots Development	15,000	2014	100%
Ootsa Lake Bible Camp Society	Playground	8,000	2013	100%
Regional District of Bulkley Nechako	Producers & Consumers	4,425	2013	100%
Regional District of Bulkley Nechako	Tourism Marketing	4,500	2013	100%
Saik'uz First Nation	IR3 Commemorative Park	40,000	2015	0%

Sioux Lookout First Nation	Kitchen Upgrade	$5,714	2013	100%
Southside Economic Dev. Assn.	Highway 18 Billboard	$1,750	2013	50%
Southside Economic Dev. Assn.	Music Program	$1,500	2013	100%
Southside Economic Dev. Assn.	Road Viewing Travelled	$4,000	2014	50%
Southside Economic Dev. Assn.	Tailgate Adventure Site	$5,000	2013	100%
St. Luke's Church on the Lake	Relocation Project	$2,000	2015	0%
Tweeddumuir Cavaliers	Parking for Planes	$4,000	2014	50%
Tweeddumuir Recreation Commission	Athletics Hall Upgrade	$5,000	2013	0%
Vanderhoof Curling Club	Upgrade - 1st Approval	$5,000	2011	100%
Vanderhoof Curling Club	Upgrade - 2nd Approval	$3,000	2013	100%
Village of Burns Lake	Downtown Revit Ph. 2a	$5,000	2014	50%
Village of Burns Lake	Information Kiosk Phase 2	$900	2014	50%
Village of Burns Lake	Information Signage	$1,000	2013	100%
Village of Burns Lake	L3 Multi-Sport Facility	$5,000	2013	100%
Village of Fraser Lake	Highway Billboard	$1,000	2013	100%

Footnotes: Column 3 figures are based on approved amounts
Projects indicating 100% payments have been completed during the fiscal

6. Project Descriptions Sorted by Location (East to West)

6.0 Neighborhood Projects

[illegible] Capital Funding — $ 0,000

District of Stone – cont'

District of Hazelwood has identified four capital projects for the town of Hazelwood. It was selected for the College of New Caledonia, a Community Centre to support kids and Library and an aquatic centre. The goal of the project is to provide a report that identifies alternative capital funding sources to move forward with these capital projects.

Electronic Sign — $0,000

District of Hazelwood

The District of Hazelwood will purchase and install a new entrance sign visible to locals and highway 16 traffic.

Fontana Park Washroom — $00,000

District of Hazelwood

The District of Hazelwood plans to upgrade the washroom facility at Fontana Park. The washroom building at Fontana Park no longer meets the needs and expectations of the region's residents. The facility, built in 1967, features only a single sink and toilet per washroom. Usage of the park has increased dramatically because of upgrades to the park. The current facilities cannot handle the new usage, and are not accessible for residents with disabilities.

Friendship Centre Reno — $00,000

District of Hazelwood

The District of Hazelwood has partnered with the Seniors Friendship Club in order to renovate the Seniors Friendship Centre. The purposes of the renovation is the upgrade the centre's bathrooms to be more friendly, replace the main hall walls, replace entryway flooring, and upgrade the sound system.

Heritage Restoration — $0,000

District of Hazelwood

The approval is for The District of Hazelwood to complete restoration and beautification of the buildings at the Hazelwood Community Museum, including building Peregrine room museum which allow visitors to view individual rooms while protecting valuable artifacts.

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removal and replacement of furnace and heaters, removal and replacement of wall insulation, and replacement of cooling system pipes and headers, replacing sand floor with cement.

5.2 Fraser Lake/Fort Fraser Projects

Highway Billboard — $8,400

Village of Fraser Lake

The Village of Fraser Lake intends to install two billboard highway advertising in two locations, at both the west and east of Fraser Lake. The goal of the signs is to increase the number of tourist visits to Fraser Lake and will in part assist the Village of Fraser Lake in overcoming the first roadblock identified in the 2008 Fraser Lake Strategic Economic Development Plan, lack of outside knowledge and exposure.

5.3 Burns Lake / Southside Projects

Marketing Photography — $3,500

Burns Lake and District Chamber of Commerce

This project is to develop a photo stock of professional photography of the Lakes District Area. This project was cancelled by the applicant.

Trails Brochure — $9,249.00

Burns Lake and District Chamber of Commerce

The Lakes District Visitor Information Centre tracks the number of enquires by visitors for activities available in the area. Activities range from skiing to rock hounding. Each year 45% of the enquiries are requests for information on local hiking trails. There is a need for a comprehensive trail guide. The Burns Lake & District Chamber of Commerce (Chamber) plans to design and produce a hiking trail guide map/brochure for the Lakes District, which will provide the hiker with important information. The guide will provide GPS information to use with smart phones and GPS units. The trail guide will be available for distribution in the spring of 2014 and will serve as a tourism marketing tool and as a tool to attract and retain residents.

Deer Mountain Trail — $74,540

Burns Lake Mountain Biking Association

BLMBA has developed a three year project plan for the construction of 20/km of new trail. The Deer Mountain 2014 Trail Project is phase 1 of this 3-year plan. With this funding new routes and infrastructure will be constructed to Whistler Trail Standards and adopted by Recreation Sites and Trails BC for all mountain bike trail development in BC.

Boer Mountain 2015 — $125,000

Burns Lake Mountain Biking Association

The Boer Mountain 2015 Westside Trail Project merges Phases 2 and 3 of the original 3-year plan. With this project BLMBA proposes to construct 10.0 kilometers of new machine-built trail in 2015. The new trail will culminate in a wall ride.

Stearns Creek Canyon Trail — $22,500

Burns Lake Mountain Bike Association

BLMBA, a past recipient of NKDF funding, plans to construct the Stearns Creek Canyon Trail, linking the Bike Park to the Stearns Creek Canyon and the top of Boer Mountain (and an existing network of trails). This application is for assistance with completion of Phase 2 and 3. Phase 2 will link the east end of Long Lake to the Stearns Creek Canyon. Phase 3 will link Stearns Creek Canyon to the top of Boer Mountain. The creation of this portion of the Stearns Creek Canyon Trail will create new trail infrastructure to challenge both locals and visitors. The trail will be built according to Whistler Trail Standards, which is the accepted standard for Recreation Sites and Trails BC authorized trails.

Walking Trail — $4,900

Burns Lake Soccer Club

The Burns Lake Soccer Club (BLSC) is 14 years old and has an active program with 30 coaches and 250 kids, ages 4-17. Part of the club's vision has been to improve the fields and the environment surrounding the soccer field, which are located in Burns Lake behind CNC and next to the high school. On the main field, there is narrow strip of land that parallels the CN railway tracks that has grown in with weeds and is largely abandoned. BLSC wishes to develop this area into a simple walking trail that would start at the field entrance, wind its way through this area, and exit at Saul Creek. The project has two phases – 1) construction of the trail and 2) planting young saplings to border the trail. This approval is for funding to construct the trail - Phase I of this project.

Shelter & Equipment Upgrade — $19,765

Francois Tchesinkut Recreation Commission

The Francois Recreation Commission will construct an addition on the East side of the Francois Lake Community Hall, for storage as well as purchase additional equipment required to maintain the hall site and host events.

Parking/Washroom Upgrade — $26, 222

Lakes District Fall Fair Association

The Lakes District Fall Fair Association will create a parking area designated for livestock trucks and trailers, create walkways from the new livestock parking to the washroom facility and the arena, and upgrade the washrooms.

Parking Lot Upgrade **$23,995**

Lakes District Fall Fair Association

The annual Lakes District Fall Fair and Music Festival (LDFA) is held the second weekend in September at the Eagle Creek Recreation Site. This event has continually grown and is facing challenges meeting the parking needs of visitors, participants and volunteers. With this funding LDFF will level and gravelling the existing parking area, develop an area for increased parking and treat the parking area for Noxious Weeds and Invasive Plants.

A Seat for All **$28,920**

Lakes District Film Appreciation Society

Currently, the seats at the Beacon Theatre are very old and uncomfortable, built at the wrong angle for the slope of the floor. Sitting in these chairs for long periods of time is a challenge, especially for seniors and persons with health issues. As well there is currently no area for patrons in wheelchairs. This project will replace the flooring and install ergonomic seating and an accessibility platform.

Rec Site Accessibility **$6,650**

Lakes Outdoor Recreation Society

Lakes Outdoor Recreation Society (LORS) maintains 28 recreation sites and has recently completed an audit of the site and determined there exists a lack of accessibility for people with mobility restrictions. This project will replace aging outhouses and picnic tables with infrastructure that is accessible for people with mobility restrictions.

Playground **$6,000**

Ootsa Lake Bible Camp Society

Ootsa Lake Bible Camp Society, located on Ootsa Lake approximately 50 km south of Burns Lake, is a past recipient of NKDF funds, and an experienced project manager. With this application, OLBCS wishes to purchase and set-up a playground in September 2013. The Society caters to families, predominantly those with children. The Bible Camp serves many customers in the Ootsa Lake and Burns Lake area and appears not to compete directly with local businesses. In evaluating this application, the Manager spoke with the owner of Takysie Lake Resort, who indicates no issues with this proposed enhancement to the Bible Camp – in fact, because the customer bases are different, Takysie Lake Resort reports some benefit from customers of the Bible Camp.

Highway 16 Billboard **$3,750**

Southside Economic Development Association

SEDA plans to erect a Billboard on Highway 16 to promote tourism and attract more tourists to the Southside.

Music Program **$2,355**

Southside Economic Development Association

This funding is for the purchase of musical instruments for the Grassy Plains Elementary School.

Roads Already Traveled **$6,000**

Southside Economic Development Association

SEDA proposes to identify and map an existing network of trails and identify those that connect various tourism industry businesses and points of interest. Historical background and use of the trails will be researched. This phase of the project seeks to do the groundwork of identifying the trails of most value and digitizing the information, creating a foundation that future phases of the project can build on.

Takysie Adventure Site **$30,000**

Southside Economic Development Association

SEDA proposes to clean the beach at Takysie Lake, repair the boat launch, build a covered BBQ area and make the area more accessible.

Restoration Project **$15,000**

St. Luke's Church on the Lake

The focus of this group is to preserve a piece of northern rural history that is sustained through promoting Cultural & Historical Tourism, Community Events, Fundraising and Rentals. With this project St. Luke's Church on the Lake will repair the foundation, windows, doors and roof of St. Luke's Church on the Lake.

Parking for Ponies **$14, 000**

Tweedsmuir Cavaliers

Tweedsmuir Cavaliers Saddle Club will expand the parking area at the Saddle Club Arena, purchase additional panels and gates in order to accommodate the "parking of the horses" during events as well as overnight for multi-day events, as well as purchase a set of bleachers for spectators.

Wistaria Hall Upgrade **$40,000**

Tweedsmuir Recreation Commission

Wistaria and the surrounding communities are hailed by many as being most impacted by Kemano and the flooding. The Wisteria Community Hall facility is used year round for events such as Christmas Concerts, Canada Day Celebrations, and the Ootsa Lake Fishing Derby. The facility also holds historical significance for the community. The Tweedsmuir Commission believes it is in danger of completely losing the Hall if the proposed improvements are not made

soon. The proponent claims that this project will benefit the communities of Wistaria, Streatham, Ootsa Lake and East Ootsa as well as the neighbouring communities of Noralee, Takysie Lake, Grassy Plains, and Southbank. The proponent seeks ways to upgrade or replace the hall.

Downtown Revitalization Phase 2A **$25,000**

Village of Burns Lake

The Village of Burns Lake, working with the Downtown Revitalization Committee and building on the success of phase 1, will develop the former Shell service station brownfield site in downtown Burns Lake. The converted site will feature picnic tables, information kiosk, bicycle storage rack, pull through parking suitable for large recreation vehicles, transport trucks or passenger vehicles, lighting and landscaping.

Information Kiosk Phase II **$3,960**

Village of Burns Lake

The goal of the project is to increase tourist awareness of the Burns Lake and Lakes District Area by replacing existing signage that is out of date and falling into disrepair, including erecting new signage at the Visitor information Centre.

Information Signage **$2,000**

Village of Burns Lake

The Village of Burns Lake and the Burns Lake & District Chamber of Commerce will improve the welcome and information signage at both ends of the community along Highway 16. The project will replace aging signage with vibrant displays that alert visitors to the many attractions of Burns Lake and the Lakes District. The project will display a custom-designed Village map, Visitor Information Centre coordinates, and a flexible listing of local amenities and attractions.

Lakeside Multi-Sport Facility **$40,000**

Village of Burns Lake

This project consists of expanding and connecting the existing arena and curling rink, creating a 10,000 square foot addition to the existing recreation facilities. The expansion will offer a squash court, climbing wall, children's indoor play area, work-out gym, equipment rental space, multi-purpose community area, training space, recreation programming space, event hosting and sport development space. The new expansion will meet the community's need for a year round recreation centre that is open to all residents and recreation groups.

5.4 Kitamaat Projects

New Vessel **$50,000**

Kitimat Marine Rescue Society

The Kitimat Marine Rescue Society provides rescue service for the waters of the Douglass channel to Hecate Strait. Many incidents require transportation of casualties over long distances in the open boat in winter temperatures of up to -20. For these reasons they are looking to replace the existing open vessel with a new closed cabin rescue vehicle, approved by the Canadian Coast Guard Auxiliary-Pacific.

5.5 Regional Projects

Innovative Forage Production — $15,000

BC Forage Council

With this project BC Forage Council will address a number of on-farm adaptations focused on producing high quality forage under variable climatic conditions. Through the development of a weather station network within the production area, the evaluation of production techniques, and the creation of a manual for conducting on-farm trials, this project seeks to increase the information and management options available to producers as well as provide for the long-term ability to respond to changes in growing conditions.

Grassroots Development Project — $10,000

Nechako-Kitamaat Development Fund Society

The purpose of the Grassroots Economic Development Opportunities Fund is to enable NKDF to facilitate project development at the community level while leveraging funding from outside the investment area. The idea behind this concept is to have funds available to assist constituents or applicants to turn their project ideas into living projects. The Grassroots Development funding is to assist applicants with locating potential funding agencies for projects and broader economic development related projects such as making training available that might not otherwise be offered in the communities in the NKDF investment area.

Tourism Marketing — $4,500

Regional District of Bulkley Nechako

The Regional District of Bulkley-Nechako (RDBN) is working with tourism stakeholders to deliver a tourism marketing initiative which will support the development of the tourism industry in northern BC. The project's main emphasis will be to market the activities in the Region, encouraging travelers to lengthen their stay. This project will include the design and printing of regional activity brochures, website upgrades and enhancements, tradeshow displays, hiring a marketing coordinator, tourism ad design, and securing images for the photo bank.

Producers and Consumers **$4,425**

Regional District of Bulkley Nechako

This project will support local food production in eight municipalities and seven rural areas within the RDBN area. The project is comprised of: the production and distribution of 1,000 local food production support brochures, a low-level agricultural marketing campaign to be delivered through partnerships with community organizations.

5. Financial Highlights at March 31, 2015

2014-2015 Income and Expenses	Actual 2014-2015	Budgeted 2015-2016
Administration Expenses	$92,878	$102,633
Funding Payments	$487,655	$497,421
Investment Income	$89,571	$100,084

Note to grants: The Society approved a total of $531,005 in new funding for the year.

Note to investment income: NKDF investments are held at Integris Credit Union in Vanderhoof and with Phillips Hager and North (PHN).

Account Balances as of March 31, 2015	
Cash and Term Deposits – Administration	$15,010
Cash and Term Deposits – Funding	325,552
Short Term Investments	1,658,668
Accrued Interest & Receivables	2,448
Minus accounts payable	(3,781)
Net Financial Assets	1,997,897
Less Funding Commitments Outstanding	(481,322)
Total NKDF Net Assets Less Funding Commitments	**$1,516,575**

Combined assets: The balance of the original $15 million dollar contributions from Rio Tinto and the BC Government are held in the Northern Development Fund, managed by the British Columbia Investment Management Corporation. The market value of this investment account as of March 31, 2015 was $15,881,286.

Annual Audit: The annual audit of the NKDF was completed in May 2015 by Edmison-Mehr Chartered Accountants (Smithers). The audited statements are attached.

NECHAKO-KITAMAAT DEVELOPMENT FUND SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2015

[redacted]

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EDMISON MEHR
CHARTERED ACCOUNTANTS

[redacted]

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Nechako-Kitamaat Development Fund Society
Prince George, BC

We have audited the accompanying financial statements of Nechako-Kitamaat Development Fund Society, which comprise the Consolidated Statement of Financial Position as at March 31, 2019, and the Consolidated Statements of Operations and Changes in Operating Fund Balance, Remeasurement Gains and Losses, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nechako-Kitamaat Development Fund Society as at March 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Edmison Mehr

Smithers, BC
May 23, 2019

Edmison Mehr

[redacted]

[redacted]

[redacted]

[illegible]

[illegible]

[illegible]

[redacted]

[redacted]

[redacted]

1. [redacted]

The purpose of the Society is to promote sustainable economic development in northern communities affected by the Kemano Kenney project and by the creation of the Nechako Reservoir. The Society was created to manage the programs supported by the Northern Development Fund and to implement the recommendations of the Advisory Board of the Fund. The Society is accountable for the funds advanced to the Society from the Northern Development Fund.

The $15 million Northern Development Fund, to which both Alcan and the BC Government each contributed $7.5 million, was created as a result of the BC-Alcan 1987 Agreement. This Agreement resolved the legal issues associated with the cancellation of the Kemano Completion Project. Bill 9, the "BC-Alcan Northern Development Fund Act", to promote sustainable economic development in Northwestern BC, was approved by the Legislature in April, 1988. The Advisory Board for the Northern Development Fund was established in January, 1990 to provide the Minister responsible for the Fund with recommendations for how the Fund should be managed and used to stimulate economic development.

The Provincial Government maintains direct management responsibility for that portion of the Northern Development Fund not forwarded to the Society. The fair market value of the fund at March 31, 2019 $17,880,206 (2018 - $17,548,957). At March 31, 2019 a total of $9.3 million has been forwarded from the Northern Development Fund to the Society since its inception.

The Nechako-Kitimaat Development Fund Society was incorporated under the Society Act on August 18, 1999.

2. [redacted]

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

Cash

Cash consists of cash and cash equivalents that are defined as highly-liquid investments with maturities of three months or less at the acquisition date.

Financial Instruments

Financial instruments consist of cash, short term investments, receivables and payables. All financial instruments are recorded at market value. For short term investments, the classes of the investments, as outlined in Note 3, are held in active markets with publicly available trading values. Therefore the fair market value of each class of short term investments is considered Level 1 as outlined by Canadian Public Sector Accounting Standards section 3450, Financial Instruments.

Revenue

Grant revenue is recognized when the grant is received by the Society.

Investment revenue includes interest, dividend and realized capital gains income and losses. Unrealized gains and losses on held-for-trading financial assets are recorded in the Statement of Remeasurement Gains and Losses in the period in which the unrealized gains and losses arise.

Grant payments

Grants provided to other organizations are recorded as an expense when the amount is paid by the Society.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

3. SHORT TERM INVESTMENTS

Short term investments consist of investments classified as held-for-trading and include the following amounts. The adjusted cost base of the fund at March 31, 2015 is $1,419,819 (2014 - $1,339,601).

	2015	2014
Cash and Cash Equivalents Funds	$ 33,359	$ 40,748
Fixed Income Funds	448,242	407,726
Equity Funds - Canadian	361,762	575,652
Equity Funds - United States	449,877	389,360
Equity Funds - Other International	365,428	58,473
	$ 1,658,668	$ 1,471,959

4. FINANCIAL ASSETS AND LIABILITIES

The significant financial risks to which the Society is exposed include the following:

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Society to a concentration of credit risk consist primarily of cash and short term investments. The Society limits its exposure to credit loss from its cash by placing its cash with major Canadian financial institutions. The Society's maximum exposure to credit risk for short term investments are the amounts disclosed in the Statement of Financial Position.

Fair value
The Society estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments. For short term investments, the classes of the investments, as outlined in Note 3, are held in active markets with publicly availabe trading values. The Society's maximum exposure to fair value risk for short term investments are the amounts disclosed in the Statement of Financial Position.

Liquidity Risk
Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. The Society's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at March 31, 2015, the Society had cash of $340,562 (March 31, 2014 - $397,864) to settle current liabilities of $3,781 (March 31, 2014 - $3,782). Management believes that liquidity risk for financial instruments is minimal.

Market risk
Market risk incorporates a range of risks. Movement in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Society is exposed to these risks. The Society mitigates these risks by the diversity of its short term investment classes as disclosed in Note 3.

Foreign currency risk
The Society is exposed to currency risk with respect to the US and other international equity funds amounts as disclosed in Note 3.

Interest rate risk
The Society is exposed to interest rate risk to the extent that the cash and money market funds maintained are subject to a floating rate of interest. The interest rate risk on cash and money market funds is not considered significant. Management believes that interest rate risk for cash and money market funds is minimal.

5. BUDGET

The budget amounts correspond to Appendix 'A' of the 2014/15 Business Plan.

6. COMMITMENT

The Society is committed, provided the recipients fulfill the requirements of the funding agreements, to provide grants totaling $481,322 subsequent to March 31, 2015. It is Society's intent that these commitments will be funded fully from the surplus position at March 31, 2015.

	2015	2014
Burns Lake Mountain Bike Association - Stearns Cr. Canyon Trail	$ -	$ 2,250
Burns Lake Soccer Club - Walking Trail	-	2,450
Vanderhoof Curling Club - Upgrade	-	18,000
Village of Burns Lake - LD Multi-Sport Facility	-	20,000
Southside Economic Development Assn - Highway 16 Billboard	375	1,875
Southside Economic Development Assn - Takysie Adventure Site	-	60,000
Vanderhoof Curling Club - Upgrade 2	-	21,250
Burns Lake and District Chamber of Commerce - Trails Brochure	4,625	4,625
Burns Lake Mountain Bike Association - Boer Mountain Trail	7,454	74,540
District of Vanderhoof - Visitor Centre Building	-	15,000
District of Vanderhoof - Ferland Park Washroom	-	10,000
District of Vanderhoof - Electronic Sign	-	4,500
District of Vanderhoof - Housing Needs Study	2,500	2,500
District of Vanderhoof - Hotel Valuation Study	-	10,000
District of Vanderhoof - Alternative Capital Funding	-	15,000
Francois Tchesinket Recreation Comm - Shelter & Equipment Upgrade	-	19,765
Grassy Plains Community Hall Association - Deck and Siding	-	25,000
Kitimat Marine Rescue Society - New Vessel	-	25,000
Lakes District Film Appreciation Society - A Seat For All	-	28,920
Nechako Valley Exhibition - Small Animal Barn	-	14,000
Ootsa Lake Bible Camp Society - Playground	-	480
Regional District of Bulkley Nechako - Tourism Marketing	-	2,250
Regional District of Bulkley Nechako - Producers and Consumers	-	2,213
Saik'uz First Nation - Kitchen Upgrade	-	35,714
Southside Economic Development Association - Music Program	-	1,178
Tweedsmuir Recreation Commission - Wistaria Hall Upgrade	40,000	40,000
Village of Burns Lake - Information Signage	-	1,000
Village of Burns Lake - Downtown Revitalization Phase 2A	12,500	25,000
Village of Fraser Lake - Highway Billboard	-	8,400
Southside Economic Development Assn - Roads Already Travelled	2,635	-
District of Vanderhoof - Heritage Restoration	3,000	-
BC Forage Council - Production	7,500	-
Tweedsmuir Cavaliers - Parking for Ponies	7,000	-
Lakes District Fall Fair Assn - Parking Lot Upgrade	11,998	-
Lakes District Outdoor Rec Society - Rec Site Accessibility	3,325	-
District of Vanderhoof - Friendship Centre Renovation	15,000	-
Village of Burns Lake - Information Kiosk Phase II	2,010	-
Burns Lake & District Chamber of Commerece - Marketing Photography	3,500	-
District of Vanderhoof - Recreation Centre Upgrade	55,000	-
Lakes District Fall Fair Assn - Parking/Washroom	26,222	-
Nechako Valley Sporting Association - Lighting Upgrade	35,000	-
St. Lukes Church on the Lake - Restoration Project	15,000	-
Saik'uz First Nation - IRS Commemorative Park	40,000	-
Nechako Valley Search & Rescue - Training Facility Renovation	61,678	-
Burns Lake Mountain Biking Assn - Boer Mountain 2015	125,000	-
	$ 481,322	$ 490,910